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**South Dakota Commission on Gaming Quarterly Business Meeting and
Administrative Hearings
Deadwood City Hall, Deadwood, South Dakota**

**MINUTES
June 6, 2012**

At 9 a.m. the meeting was called to order. Commissioner Ralph Kemnitz, Commissioner Karen Crew, Commissioner Harry Christianson, Commissioner Dennis Duncan, and Commissioner Tim Holland were present. Staff members present for the meeting were Michael Shaw, Commission Attorney; Larry Eliason, Executive Secretary; Craig Sparrow, Director of Operations and Enforcement, and Mark Aspess, Commission Architect.

The meeting was called to order at 9 a.m. by Commissioner Kemnitz.

Larry Eliason welcomed new staff member Phil Schlieff, Gaming Technology Specialist.

ADMINISTRATIVE HEARINGS

The court reporter for the hearing was Jean Carlson. The following case was scheduled to be heard:

- Optima, LLC (building designation)

Optima, LLC

Optima, LLC, represented by Roger Tellinghuisen, attorney, requested a declaratory ruling for new construction at 322 Main Street. A 7 building designation but at present will only be using room 4 for gaming as outlined on Exhibit A. Mr. Tellinghuisen also requested to amend the petition for a variance for the basement parking structure to meet the inner access requirements between buildings. The matter was deferred to Executive Session.

General Meeting

Upon conclusion of the hearing Commissioner Kemnitz called the general meeting to order at 9:40 a.m.

Approval of Agenda

No changes were noted to the agenda.

Conflicts of Interest

No conflicts of interest were noted on the agenda.

March 14, 2012 Meeting

Commissioner Christianson made a motion to adopt the minutes drafted for the March 14, 2012 meeting. Commissioner Duncan seconded the motion which was carried unanimously.

May 16, 2012 Special Meeting

Commissioner Crew made a motion to adopt the minutes drafted for the May 16, 2012 meeting. Commissioner Holland seconded the motion which was carried unanimously.

Secretary of Revenue Andy Gerlach addressed the Commission.

Tom Nelson, Deadwood Gaming Association, addressed the Commission on promotional play and to change rule to allow payout of 6 to 5 on single deck Blackjack.

Report on Approval of Rule Changes

Larry Eliason gave a report on the gaming rule changes that the Commission approved at the special meeting. The rules were approved by the Legislature's Interim Rules Review Committee on May 29, 2012 and will become effective June 18, 2012. The casinos cannot offer bets over \$100 until the new law becomes effective July 1, 2012.

Professional Service Contracts -FY 2011

Bill Treger, GLI representative, addressed the Commission.

Commissioner Christianson made a motion to approve the contract with Gaming Laboratories International as presented. Commissioner Crew seconded the motion which carried unanimously.

Commissioner Christianson made a motion to approve the contract for legal services with May, Adam, Gerdes and Thompson, attorney Michael F. Shaw. Commissioner Duncan seconded the motion which carried unanimously.

Commissioner Crew made a motion to approve the contract with Architecture Incorporated as presented. Commissioner Holland seconded the motion which carried unanimously.

Deadwood Licensing Matters

Key License Approvals Recommendations

Director of Operations/Enforcement Sparrow recommended approval of the following Key Licenses:

- ✓ Michael Jurak
- ✓ Lori Zimmerman
- ✓ Trevor Taylor
- ✓ CJ Hestor

Key Renewal

- ✓ Beverly Bachand

Business License Renewal 2011-2012

- ✓ Mike Trucano 2 (0392-RT)

Business License Renewal 2012-2013

Director Sparrow recommended the approval of all Operators, Route Operators, Retails, Distributors, and Manufacturers listed on pages 32-33 of the meeting packet with exception of the following:

- ✓ Wooden Nickel

Director Sparrow recommended that the license noted in the exceptions above be renewed on the condition that the licensee pay their property taxes by June 30, 2012.

Business License Approval and Assignments

- ✓ Recommend approval of Robert Sturges and Wayne White as a Directors on the NG South Dakota, LLC business licenses **(0226-OP, 0034-R0, 0521, 0522 & 523-RT's)**.
- ✓ Recommend approval of Ronald Meis as an additional Owner on the Celebrity Hotel business licenses **(0197-OP, 0020-R0, 0241, 0256 & 257-RT's)**.

Business License Approval and Assignments (as the result of 42-7B-26)

- ✓ Approval of the request of Jerome Feterl to move his 3 retail licenses currently assigned at Bourbon Street to an unassigned location effective the end of June 2012.
- ✓ Approve NG South Dakota, LLC as the owner of 3 retail licenses **(0521, 0522 & 0523-RT's)** and assign them to Bourbon Street 1, 2 & 3 effective the beginning of July 2012.
- ✓ Approval of the request of Steve Olson to move his 3 retail license currently assigned to the Bodega Complex to an unassigned location effective the end of June 2012.
- ✓ Approval of the request of Kevin Johnson to move his 1 retail licenses currently assigned at Bullock Hotel 2 **(0288-RT)** to Bodega 3 effective the beginning of July 2012.
- ✓ Approval of the request of Mike Trucano to move his 1 retail licenses currently assigned at Bullock Hotel 1 **(0389-RT)** to Bodega 1 and his second retail license currently unassigned (0392- RT) to Bodega 2 effective the beginning of July 2012.
- ✓ Approve Bullock Hospitality, LLC as the owner of 2 retail licenses **(0531 & 0532-RT's)** and assign them to Bullock Hotel 1 & 2 effective the beginning of July 2012.

- ✓ Approval of the request of Dakam to move his 3 retail licenses currently assigned to Hickoks to an unassigned location effective the end of June 2012.
- ✓ Approve NMD Ventures, LLC as the owner of 3 retail licenses (**0518, 0519 & 0520-RT's**) and assign them to Hickoks 1, 2 & 3 effective the beginning of July 2012
- ✓ Approval of the request of Randy Bush to move his 3 retail licenses currently assigned to First Gold to an unassigned location effective the end of June 2012.
- ✓ Approval of the request of Tim and Monica Conrad to move their 3 retail licenses currently assigned to First Gold to an unassigned location effective the end of June 2012.
- ✓ Approval of the request of Steve Schaeffer to move his 2 retail licenses currently assigned to First Gold to an unassigned location effective the end of June 2012.
- ✓ Approve First Gold Inc as the owner of 7 additional retail licenses (**0567, 0568, 0569, 0570, 0571, 0572 & 0573-RT's**) and assign them to First Gold 4, 5, 6, 7, 8, 9 & 10 effective the beginning of July 2012.
- ✓ Approval of the request of Brad Hemmah to move his 3 retail licenses currently assigned to Deadwood Mtn Grand to an unassigned location effective the end of June 2012.
- ✓ Approval of the request of Michelle Harmon to move her 3 retail licenses currently assigned to Deadwood Mtn Grand to an unassigned location effective the end of June 2012.
- ✓ Approval of the request of Steve Schaeffer to move his 1 retail license currently assigned to Deadwood Mtn Grand to an unassigned location effective the end of June 2012.
- ✓ Approve Tentexkota, LLC as the owner of 7 retail licenses (**0549, 0550, 0551, 0552, 0553, 0554 & 0555-RT's**) and assign them to Deadwood Mtn Grand 1, 2, 3, 4, 5, 6 & 7 effective the beginning of July 2012.
- ✓ Approval of the request of Tim Brennan to move his 3 retail licenses currently assigned to Gold Dust to an unassigned location effective the end of June 2012.
- ✓ Approve High Noon Investments, LLC as the owner of 3 additional retail licenses (**0556, 0557 & 0558-RT's**) and assign them to Gold Dust 4, 5, & 6 effective the beginning of July 2012.
- ✓ Approval of the request of Weston Pleinis to move his 3 retail licenses currently assigned to The Lodge to an unassigned location effective the end of June 2012.
- ✓ Approval of the request of Troy Ihde to move his 3 retail licenses currently assigned to The Lodge to an unassigned location effective the end of June 2012.
- ✓ Approval of the request of Casey Borsch to move his 1 retail license currently assigned to The Lodge to an unassigned location effective the end of June 2012.
- ✓ Approve Deadwood Resorts, LLC dba The Lodge at Deadwood as the owner of 7 additional retail licenses (**0533, 0534, 0535, 0536, 0537, 0538 & 0539-RT's**) and assign them to The Lodge 4, 5, 6, 7, 8, 9 & 10 effective the beginning of July 2012.
- ✓ Approval of the request of David Blackmun to move his 3 retail licenses currently assigned to Mineral Palace to an unassigned location effective the end of June 2012.
- ✓ Approval of the request of Barry Lloyd to move his 3 retail licenses currently assigned to Mineral Palace to an unassigned location effective the end of June 2012.
- ✓ Approval of the request of Christopher Gould to move his 3 retail licenses currently assigned Mineral Palace to an unassigned location effective the end of June 2012.
- ✓ Approve GR Deadwood, LLC dba Mineral Palace as the owner of 9 additional retail licenses (**0540, 0541, 0542, 0543, 0544, 0545, 0546, 0547 & 0548-RT's**) and assign them to Mineral Palace 4, 5, 6, 7, 8, 9, 10, 11 & 12 effective the beginning of July 2012.
- ✓ Approval of the request of Caleb Arceneaux to move his 2 retail licenses currently assigned to Cadillac Jacks to an unassigned location effective the end of June 2012.
- ✓ Approval of the request of Brooke Bradsky to move her 2 retail licenses currently assigned to Cadillac Jacks to an unassigned location effective the end of June 2012.

- ✓ Approval of the request of Miranda Bradsky to move her 1 retail licenses currently assigned Cadillac Jacks to an unassigned location effective the end of June 2012.
- ✓ Approve B.Y. Development, Inc dba Cadillac Jack's Gaming Resort as the owner of 5 additional retail licenses (**0526, 0527, 0528, 0529 & 0530-RT's**) and assign them to Cadillac Jacks 4, 5, 6, 7, & 8 effective the beginning of July 2012.
- ✓ Approval of the request of Miranda Bradsky to move her 2 retail licenses currently assigned to Tin Lizzie to an unassigned location effective the end of June 2012.
- ✓ Approve Blue Sky Gaming dba Tin Lizzie as the owner of 2 additional retail licenses (**0524 & 0525-RT's**) and assign them to Tin Lizzie 4 & 5 effective the beginning of July 2012.
- ✓ Approval of the request of Tony Sieber to move his 3 retail licenses currently assigned to 777 to an unassigned location effective the end of June 2012.
- ✓ Approval of the request of Nate Kessler to move his 3 retail licenses currently assigned to Four Aces to an unassigned location effective the end of June 2012.
- ✓ Approval of the request of Michelle Fischer to move her 2 retail licenses currently assigned to Four Aces to an unassigned location effective the end of June 2012.
- ✓ Approve Platinum Ventures, LLC dba Four Aces as the owner of 8 additional retail licenses (**0559,0560, 0561, 0562, 0563, 0564, 0565 & 0566-RT's**) and assign them to Four Aces 4, 5, 6, 7, & 8 and Four Aces/777 13, 14 & 15 effective the beginning of July 2012.

Commissioner Crew made a motion to approve the Key licenses, Key Renewal, business license renewals, and business license approvals and assignments as recommended by staff and outlined on pages 29-33 of the Commission packet with the conditions listed above. Commissioner Duncan seconded the motion which carried unanimously.

Schedule of Next Meeting

The next commission meeting has been scheduled for September 12, 2012.

Election of Officers for FY 2013

Commissioner Christianson made a motion to elect Commissioner Kernnitz to serve as the Chairman of the Commission and Commissioner Duncan to serve as Vice Chairman of the Commission. Commissioner Crew seconded the motion which carried unanimously.

Executive Session

The Commission went into Executive Session pursuant to SDCL 42-7B-8.1 (4), decision on administrative hearings, and to address Kellar Estate licenses.

After coming out of Executive Session at 10:55 a.m., the Commission took the following actions.

Decision Optima, LLC Declaratory Ruling

Commissioner Duncan made a motion to grant the request of declaratory ruling as outlined in Exhibit A and to include the amended petition variance for the parking structure which will be sent directly after meeting. Commissioner Christianson seconded the motion which carried unanimously.

Ken Kellar Estate

Director of Operations/Enforcement Sparrow recommended approval of the following Licenses:

- ✓ Approve the request of Rich Turbiville to move his retail licenses from the Green Door 1 (0166-RT) & Green Door 2 (0405-RT) to an unassigned location effective the beginning of July 2012.
- ✓ Renew the retail licenses of the Ken Kellar Estate 1 (0026-RT) & 2 (0122-RT) and assign the licenses to Green Door 1 & 2 location effective the beginning of July 2012.
- ✓ Renew the operator license of the Ken Kellar Estate (0188-OP).
- ✓ Renew the retail license of Ken Kellar Estate 3 (0157-RT) currently assigned to Deadwood Express 2.
- ✓ Approve the request of Mike Kellar to move his retail license assigned to Deadwood Express 1 (0293-RT) to an unassigned location effective the beginning of July 2012.

Commissioner Crew made a motion to grant the license requests as recommended by staff on a temporary basis to the Ken Kellar Estate, Dick Pluimer, who is the associated person for the estate. Commissioner Duncan seconded the motion which carried unanimously.

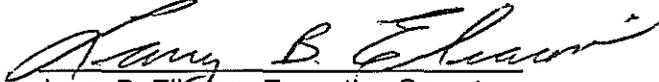
Commissioner Crew made a motion to adjourn the meeting. Commissioner Duncan seconded the motion which carried unanimously.

Meeting was adjourned at 11:05 a.m.

Respectfully Submitted,

Kathy Fredericksen


Ralph A. Kemnitz, Chairman


Larry B. Eliason, Executive Secretary